

2/9/77

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Note	Hutcheson to Jordan, w/attachments, 2 pp. Re: Department of Justice vacancies	2/9/77	C
Note	Hutcheson to Siegel, w/attachments, 5 pp. Re: ERA	2/9/77	C
Note	Hutcheson to Fizenstat, w/attachments, 6 pp. Re: Campaign staff	2/9/77	C

Carter Presidential Papers, Staff Offices, Office of Staff Secretary, Presidential Handwriting
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THE PRESIDENT'S OFFICE
THE WHITE HOUSE
WASHINGTON

EXECUTIVE
TR1
FG21
FG20

(2)

VISIT TO THE DEPARTMENTS OF
LABOR AND COMMERCE

Wednesday - February 9, 1977

Departure: 1:25 P.M.

From: Tim Kraft

BACKGROUND

Departing at 1:25 p.m., you will motorcade to the Department of Labor and, following that visit, on to the Department of Commerce.

Secretary Ray Marshall, Under Secretary Robert Brown, and Eldora Robinson, a Labor Department employee will greet you on the second floor of the Labor Department, then conduct you on a tour of the Department of Labor Policy, Evaluation and Research offices. At the conclusion of the 10-minute tour, your hosts escort you to the Grand Hall where you offer brief remarks then accept questions from the audience of approximately 1,500.

At approximately 2:25 p.m., you proceed to the Department of Commerce Departmental Auditorium. Secretary Kreps will greet you and escort you onto the Auditorium stage for remarks and a question and answer session. You then return to the White House, arriving here at about 3:25 p.m.

SEQUENCE

1:25 p.m.

You board motorcade on South Grounds and depart en route Department of Labor.

1:30 p.m.

Arrive Department of Labor.

PRESS POOL COVERAGE
CLOSED ARRIVAL

2.

Proceed via elevator to second floor.

1:34 p.m.

Arrive second floor where you are met by:

Honorable Ray Marshall, Secretary of Labor
Honorable Robert Brown, Under Secretary
of Labor

Eldora Robinson, Labor Department employee

1:35 p.m.

Escorted by Secretary Marshall, Under Secretary Brown and Eldora Robinson, proceed through the Department of Labor Policy, Evaluation and Research offices for a short tour.

PRESS POOL COVERAGE

1:45 p.m.

Tour concludes. Escorted by your hosts, you proceed to elevator.

1:47 p.m.

Arrive Great Hall announcement area (first floor) and pause for announcement.

1:48 p.m.

Announcement.

1:48 p.m.

Escorted by Secretary Marshall, Under Secretary Brown and Eldora Robinson, proceed inside Great Hall and onto stage.

FULL PRESS COVERAGE

ATTENDANCE: 1500

1:49 p.m.

Brief remarks by Secretary Marshall.

1:50 p.m.

PRESIDENTIAL REMARKS.

FULL PRESS COVERAGE

NOTE: Your remarks will also be transmitted to those having lunch in the cafeteria.

3.

2:00 p.m.

Remarks conclude. You accept questions from the audience.

2:15 p.m.

Question and Answer Session concludes. You thank the audience and escorted by Secretary Marshall and Under Secretary Brown, proceed to motorcade for boarding.

2:20 p.m.

Motorcade departs Department of Labor en route Department of Commerce.

2:25 p.m.

Arrive Department of Commerce, Departmental Auditorium.

PRESS POOL COVERAGE
CLOSED ARRIVAL

You will be met by Secretary of Commerce Juanita Kreps.

Escorted by Secretary Kreps, proceed en route offstage announcement area.

2:30 p.m.

Arrive announcement area.

2:30 p.m.

Announcement.

Escorted by Secretary Kreps, proceed inside Departmental Auditorium and onto stage.

FULL PRESS COVERAGE

2:31 p.m.

Remarks by Secretary Kreps.

2:33 p.m.

Remarks conclude.

2:33 p.m.

PRESIDENTIAL REMARKS.

FULL PRESS COVERAGE

4.

2:45 p.m.

Remarks conclude.

You will accept questions from the audience, beginning with the stage-left microphone area and alternating stage-left and stage-right microphone areas for all subsequent questions.

FULL PRESS COVERAGE

3:15 p.m.

Question and Answer Session concludes. You thank your audience and, escorted by Secretary Kreps, depart Departmental Auditorium en route motorcade for boarding.

NOTE: You exit stage right and greet Commerce Department employees along the rope from right to left.

3:20 p.m.

Motorcade departs Department of Commerce en route South Grounds.

3:23 p.m.

Arrive South Grounds.

#

THE WHITE HOUSE

WASHINGTON

MEETING WITH DEMOCRATIC MEMBERS OF THE HOUSE
GOVERNMENT OPERATIONS COMMITTEE

Wednesday, February 9, 1977

9:00 a.m. (45 minutes)

The Cabinet Room

From: Frank Moore

I. PURPOSE

To discuss reorganization legislation and enlist the support of those Members attending in securing House passage of your bill.

II. PARTICIPANTS AND PRESS PLAN

A. Participants:

The President, Rep. Elliott Levitas, Rep. Don Fuqua, Rep. Mike Blouin, Rep. Glenn English, Rep. Richardson Preyer, Rep. Robert Drinan, Rep. Leo Ryan, Rep. Floyd Fithian, Rep. Les Aspin, Rep. David Evans, Rep. William Moorhead, Rep. Andy Maguire, Rep. John Jenrette, Rep. Michael Harrington, Frank Moore, Rick Merrill, Hubert Harris.

B. Press Plan: Jody's option.

III. TALKING POINTS

1. Chairman Brooks is a great chairman, and you look forward to working with him on actual reorganization plans in the coming years.
2. On the issue of the grant of reorganization authority to the President, you and Chairman Brooks seem to have an honest difference of opinion.
3. Many in the room may share your view; some may not.

THE WHITE HOUSE
WASHINGTON

February 9, 1977

Hamilton Jordan

The attached is forwarded to you
for your information.

Rick Hutcheson
Re. Hamilton Jordan memo re
Minorities and Women.

THE WHITE HOUSE
WASHINGTON

cc : me (Rick)
done

filed 2/8/77
THE PRESIDENT HAS SEEN.

TO: THE PRESIDENT
FROM: HAMILTON JORDAN
RE: MINORITIES AND WOMEN

There are five executive pay levels in the federal government.

You will find attached a summary sheet of appointments decided but not all announced in your Administration as contrasted with those in the Ford Administration. Several points to remember:

- 1) the Cabinet has not completed their sub-cabinet appointments - these numbers will improve considerably;
- 2) some positions at the sub-cabinet level are being left intentionally vacant for purposes of reorganization; so, our numbers compare favorably with Ford's with fewer actual appointments;
- 3) for purposes of this analysis, I have only included departments represented by the Cabinet members and two executive agencies; many more opportunities for minority and female appointments exist in smaller agencies, boards and commissions; not to mention judgeships and ambassadorships;

COMPARISON OF EXECUTIVE LEVEL APPOINTMENTS IN MAJOR DEPARTMENTS

	Women	Blacks	Hispanics
CARTER	29	16	3
FORD	9	8	1

I believe that you can very safely speculate that these numbers will increase considerably - the number of Hispanics will easily double. Point out that the sub-cabinet process is only two-thirds of the way through.

COMPARISON OF EXECUTIVE LEVEL APPOINTMENTS - FORD AND CARTER

Agency/Department		Carter		Ford	
White House Staff	Black	1	(Bunny Mitchell)	Black - 0	
	Hispanic	1	(Joe Aragon)	Hispanics - 0	
	Women	5	(Margaret McKenna, Deputy Legal Counsel; Midge Costanza, Assistant to the President; Bunny Mitchell, Special Assistant to the President; Jare Frank, Deputy Cabinet Secretary; Ronnie Fite, Deputy Assistant to the President)	Women - 0	
State	Black	3		1	
	Hispanic	0		0	
	Women	4		1	
Defense	Black	1		0	
	Hispanic	0		0	
	Women	0		1	
Justice	Black	2		1	
	Hispanic	0 - probably	1	0	
	Women	3		0	
Treasury	Black	1		0	
	Hispanic	0		0	
	Women	2		1	

COMPARISON OF EXECUTIVE LEVEL APPOINTMENTS - FORD AND CARTER

Agency/Department		Carter	Ford
Agriculture	Black	0	0
	Hispanic	1	0
	Women	1	0
HEW	Black	2	1
	Hispanic	1 (when completed, more blacks and women likely)	1
	Women	3	3
Commerce	Black	0	0
	Hispanic	0	0
	Women	3	0
HUD	Black	1	2
	Hispanic	0 (Pat will do better than Ford)	0
	Women	1	3
Interior	Black	1	1
	Hispanic	0	0
	Women	1	0
Labor	Black	3	1
	Hispanic	0	0
	Women	3	0

COMPARISON OF EXECUTIVE LEVEL APPOINTMENTS - FORD AND CARTER

Agency/Department	Carter	Ford
EPA	Black 0 Hispanic 0 Women 1	0 0 0
ACTION	Black 0 Hispanic 0 Women 1	0 0 0
Transportation	Black 1 Hispanics 0 Women 1	1 0 0

THE WHITE HOUSE
WASHINGTON

February 9, 1977

Jim McIntyre (OMB) -

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Doug Huron (Bob Lipshutz)
Jack Watson
Stu Eizenstat
Bob Linder

Zero-Base Budgeting

THE WHITE HOUSE
WASHINGTON

- cc : - Doug Huron / Bob
Lipshutz
- Tim McIntyre
OMB
- Jack Watson
~~- [unclear]~~
- STH

(include revised memorandum
as well as front page)



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

FEB 4 1977

MEMORANDUM FOR: THE PRESIDENT
FROM: James T. McIntyre *Jim*
SUBJECT: Order on Zero-base budgeting

Attached are two draft orders on zero-base budgeting.

The first is an Executive order, which is a directive having a standing in law. Because of that standing, an Executive order must be cleared through the Justice Department.

While the time required for clearing the Executive order could be minimized, we would recommend a more flexible, less formal approach by using the second draft order in the form of a memorandum.

Attachments

EXECUTIVE ORDER
-----IMPLEMENTATION OF THE CONCEPT OF
ZERO-BASE BUDGETING

By virtue of the authority vested in me by the Constitution and statutes of the United States of America, including Sections 201 and 216 of the Budget and Accounting Act, 1921, as amended (31 U.S.C. 11 and 24), and Section 301 of Title 3 of the United States Code, and as President of the United States of America, it is hereby ordered as follows:

Section 1. The Director of the Office of Management and Budget shall review the budget process for the preparation, analysis, and justification of budget estimates, and shall revise budget procedures, to the extent permitted by law, in a manner which incorporates the appropriate procedures and techniques of the concept of zero-base budgeting.

Sec. 2. The Director shall develop and implement, to the extent permitted by law, a plan for extending and applying the zero-base budgeting concept to the preparation, analysis, and justification of the budget estimates of each department and establishment.

Sec. 3. The head of each department or establishment shall develop and implement the zero-base budgeting concept in accordance with such instructions, directives, or regulations issued by the Director.

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

9


ACTION

8 February 1977

TO:

THE PRESIDENT

FROM:

RICK HUTCHESON 

SUBJECT:

OMB/Jim McIntyre Memorandum
Giving You Two Options for
Implementing Zero-Based
Budgeting

1. Jim McIntyre of OMB recommends using a memorandum to heads of Executive Departments and Agencies rather than an Executive Order to implement zero-based budgeting.

A draft of each is attached.


OMB finds the memorandum "more flexible, less formal" than an Executive Order, which has standing in law and must be cleared with the Justice Department.

2. Stu Eizenstat concurs:

- a. the memorandum is less formal and more informative
- b. the memorandum invites the cooperation of department and agency heads in implementing zero-base budgeting, which will be crucial
- c. the memorandum gives you greater flexibility, allowing for future adjustment and change in implementing zero-based budgeting, without the formality of amending an existing Executive Order

3. Jack Watson and Doug Huron (Counsel's Office) also recommend the memorandum.

_____ I prefer an Executive Order

 _____ I prefer the Memorandum - *see addition*

THE WHITE HOUSE
WASHINGTON

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

During the campaign, I pledged that immediately after the inauguration I would issue an order establishing zero-base budgeting throughout the Federal Government. This pledge was made because of the success of the zero-base budget system adopted by the State of Georgia under my direction as Governor.

A zero-base budgeting system permits a detailed analysis and justification of budget requests by an evaluation of the importance of each operation performed.

An effective zero-base budgeting system will benefit the Federal Government in several ways. It will

- . Focus the budget process on a comprehensive analysis of objectives and needs.
- . Combine planning and budgeting into a single process.
- . Cause managers to evaluate in detail the cost-effectiveness of their operations.
- . Expand management participation in planning and budgeting at all levels of the Federal Government.

The Director of the Office of Management and Budget will review the Federal budget process for the preparation, analysis, and justification of budget estimates and will revise those procedures to

incorporate the appropriate techniques of the zero-base budgeting system. He will develop a plan for applying the zero-base budgeting concept to preparation, analysis, and justifications of the budget estimates of each department and agency of the Executive Branch.

I ask each of you to develop a zero-base system within your agency in accordance with instructions to be issued by the Office of Management and Budget.

By working together under a zero-base budgeting system, we can reduce costs and make the Federal Government more efficient and effective.

JIMMY CARTER

The Fiscal Year 1979 budget will be prepared using this system.

THE WHITE HOUSE
WASHINGTON

February 9, 1977

Jack Watson -

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling. with Secretary Andrus.

Rick Hutcheson

cc Jim Schlesinger
Stu Eizenstat

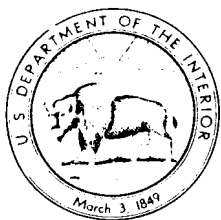
THE WHITE HOUSE
WASHINGTON

Andrew T. Watson

Schlesinger

Sty

~~Leahy~~



THE PRESIDENT HAS SEEN.

THE SECRETARY OF THE INTERIOR
WASHINGTON

February 8, 1977

*Cecil -
Good -
Need legislation
I agree with
by 5/1
J.C.
no Schlesinger*

MEMORANDUM FOR THE PRESIDENT

From : Cecil D. Andrus

Subject : Energy Reorganization - Interior

As you know, Jim Schlesinger and I met on February 1 to talk about energy reorganization. Since that time our staffs have worked together on some of the details.

His memorandum dated February 5 generally reflects our conversations and that work. As indicated below, I am in basic agreement with it and feel sure that any remaining differences can be worked out between us.

I have several comments which might be helpful:

Non-Energy Minerals

1. I agree with Dr. Schlesinger that transferring non-energy mineral responsibilities to the new Energy Department would be very difficult to accomplish and that these responsibilities should remain with Interior.

2. Public Lands Leasing

As you know, I feel strongly that the surface and subsurface responsibilities should remain in Interior if we are properly to discharge our trust with regard to public resources and the environment. While environmental concerns may not seem as great with regard to the OCS, they nevertheless exist. This point was brought home to me recently as I reviewed (and canceled) the proposed lease sale for Cook Inlet in Alaska. The potential impact of that sale on fish, wildlife and native Alaskans could be significant and requires further consideration on my part.

RECEIVED
U.S. DEPARTMENT OF THE INTERIOR
WASHINGTON, D.C. 20500
FEB 10 1977

I prefer Dr. Schlesinger's "more modest option" which leaves primary responsibility for leasing in Interior. I agree that Dr. Schlesinger should develop yearly production goals for federal energy resources, with adequate lead times and with inputs from me. I assume, if in the end the goals seem unrealistic, an appeal to the President would always be in order. *Correct*

Site selection and leasing should then be done by Interior (this is the process by which the "environment vs. economic trade-offs" are made). Once Interior has completed the lease sale, I have no problem with Dr. Schlesinger setting diligence requirements for lease production or with furnishing him all the information necessary to monitor lease production and investigate shortfalls. I would expect to continue to enforce both the environmental and safety stipulations for leases. *all*

I sense we are in agreement on the general approach. I am confident we can work out any unresolved details.

3. Other Issues

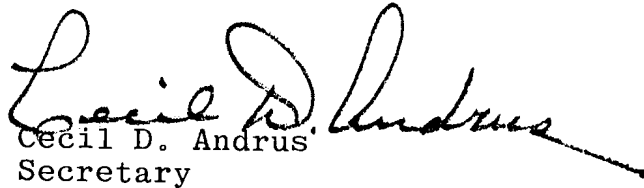
I am in basic agreement with the balance of the suggestions with two caveats:

- The Bureau of Mines does research on a variety of problems and new responsibilities may be added to the Department under the Surface Mining bill. Most of the research is done out of the same laboratories. "Unscrambling the eggs" may be difficult, but we are prepared to work with him to get the job done. *etc*
- Naval Petroleum Reserve No. 4 is a sensitive area of great concern to environmentalists because of the existence of the caribou calving grounds in the western portion, migratory bird nesting grounds in the eastern portion, and the fragile arctic ecosystem. We have no problem working with the Energy Department

in preparing plans for future petroleum development in the Reserve but believe that we have the geophysical and environmental expertise necessary to maintain a careful and viable exploration program there. We are also the land management agent for the Reserve and are conducting two studies of the area required by law concerning land and resource planning, and potential development systems. We have also been assembling a highly qualified technical team to guide the exploration program. Once exploration is complete, we assume development would proceed just as with any other public lands under the principal jurisdiction of Interior and with the same Energy Department involvement described above for leasing.

*See also
attached
about page 4
these views*

C


Cecil D. Andrus
Secretary

THE WHITE HOUSE
WASHINGTON

February 9, 1977

Greg Schneider s -

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Stu Eizenstat
Landon Butler

Re: Recommended Changes for
Correspondence Unit

THE WHITE HOUSE
WASHINGTON

cc STM
greg
hendon

THE WHITE HOUSE
WASHINGTON

February 5, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT

SUBJECT:

Greg Schneiders Memorandum on
Recommended Changes for Corres-
pondence Unit

*Greg -
As you know, I
agree. Work out a
more personally
oriented compo-
mise.
J.C.*

Greg has done an excellent job in identifying areas for
major savings.

agree

I have only one concern, and that is that the correspondence unit should not be reduced so substantially that much of the value of the incumbancy is lost from this unit. Post-cards are being planned in place of what previously had been answered by a more complete letter. There is a real danger that thousands of people will be "turned off" if they feel that these cards are unresponsive to their requests. There may be a happy medium between the previous system under President Ford, which appeared to go too far, and the one proposed by Greg which may cause too great a political loss.

THE WHITE HOUSE
WASHINGTON

February 9, 1977

Stu Eizenstat

The attached was returned in
the President's outbox. The
original ~~was~~ forwarded to
Frank Moore to be delivered.

Rick Hutcheson

Re. Al Ullman .. letter on tax
proposal.

cc: Bob Linder

THE WHITE HOUSE

WASHINGTON

February 9, 1977

To Congressman Al Ullman

I very much appreciate the time and effort you have put into your thoughtful proposal for a tax credit for companies who hire new employees, as a substitute for the business tax proposals which were proposed as part of our economic stimulus package.

I will always welcome improvements in the programs we propose. I particularly value the close relationship we have developed and want it to continue through the term of my Administration.

Permit me to share directly with you the questions I have with the proposal you have suggested:

-- if it is temporary, and doesn't require training, would employers drop disadvantaged workers when the credit ends?

-- if it is permanent, would it increase the severity of a recession since when the economy slows down and employment stops increasing, business firms will lose their credits, and taxes will rise just at the wrong time?

-- would it have arbitrary effects on particular firms and industries, since in the recovery phase of a business cycle durable goods firms expand rapidly and would receive much of the credit, while trade and service firms, where many of the disadvantaged are hired, would be less favorably treated?

-- would it worsen the competitive situation of areas that are growing slowly or declining against

rapidly growing areas like the Sun Belt; in the same way would it give advantages to rapidly growing firms and industries relative to those which need help most; and won't a firm's tax credit depend on the "luck of the draw" as to the hiring a firm had done during the base period?

-- businessmen won't normally hire additional workers unless they can sell the output those workers produce; since this tax credit doesn't increase sales, will it then promote a reduction in productivity and provide a disincentive to invest in new productivity-raising technology?

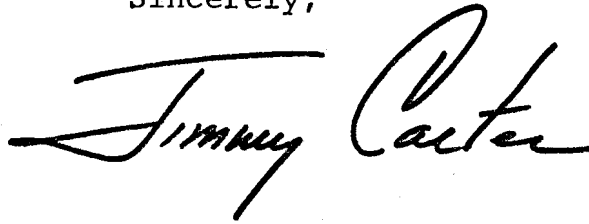
-- won't it create very difficult administrative problems for the Internal Revenue Service (what is "average" employment in the base year; what about part-time workers; what about new firms)?

It will be very difficult to answer these complex questions to our mutual satisfaction in a short period of time.

Although I do not favor the proposal being a part of the stimulus package, I have directed my top economic advisers to consider a variation of your proposal for grants or credits to be targeted to the number of disadvantaged or long-term unemployed hired by industry. Such a possible program, on which we would work in close conjunction with you, would need time for careful evaluation and development and might be a part of our long-term effort to fight unemployment, rather than be included in a short-term stimulus package. I would like to explore this possibility with you.

I share your genuine concern for attacking the unemployment problem and believe the balanced package I proposed to Congress permits the best avenue to achieve this end.

Sincerely,

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned below the word "Sincerely,".

The Honorable Al Ullman
Chairman
Committee on Ways and Means
House of Representatives
Washington, D.C. 20515

THE WHITE HOUSE
WASHINGTON

*Susan = R
one
Hedy page
J*

February 9, 1977

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
SUBJECT: Letter to Congressman Ullman

At your request, I have reworked the draft of Secretary Blumenthal's letter, for your signature, to Congressman Ullman, incorporating Charlie Schultze's ideas.

At Charlie's suggestion, and generally using his language, the middle portion of the letter was put in question form so that the criticism of Ullman's proposal would be as mild as possible, while still making the essential points.

rapidly growing areas like the Sun Belt; in the same way would it give advantages to rapidly growing firms and industries relative to those which need help most; and won't a firm's tax credit depend on the "luck of the draw" as to the hiring a firm had done during the base period?

-- businessmen won't normally hire additional workers unless they can sell the output those workers produce; since this tax credit doesn't increase sales, will it then promote a reduction in productivity and provide a disincentive to invest in new productivity-raising technology?

-- won't it create very difficult administrative problems for the Internal Revenue Service (what is "average" employment in the base year; what about part-time workers; what about new firms)?

~~These questions cannot be answered to our satisfaction in a short period of time.~~

Although I do not favor the proposal being a part of the stimulus package, I have directed my top economic advisers to consider a variation of your proposal for grants or credits to be targeted to the number of disadvantaged or long-term unemployed hired by industry. Such a possible program, which we would work on in close conjunction with you, would need time for careful evaluation and development and might be a part of our long-term effort to fight unemployment, rather than be included in a short-term stimulus package. I would like to explore this possibility with you.

*It will be very difficult to answer these difficult questions to our mutual satisfaction ---
Complex*

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

2 February 1977

ACTION

TO:

THE PRESIDENT

FROM:

RICK HUTCHESON

SUBJECT:

Chairman Ullman's Tax Proposal

Chairman Ullman presently proposes a form of employment tax credit amounting to 30% of the first \$5000 of wages paid by the employer, so long as the employer is increasing payrolls.

We estimate the revenue cost of this program at 4.5 billion dollars. (Blumenthal)

Attached are:

1. Eizenstat's summary of analyses by Blumenthal and Schultze of Chairman Ullman's proposal
2. Blumenthal analysis of Ullman proposal
3. draft letter from the President to Ullman (prepared by Blumenthal)
4. Schultze analysis of Ullman proposal
5. Mark Siegel political analysis of Ullman proposal

No comments from Watson or Moore. Lance concurs with Schultze memorandum.

"DETERMINED TO BE AN ADMINISTRATIVE MARKING
CANCELLED PER E.O. 12356, SEC. 1.3 AND
ARCHIVIST'S MEMO OF MARCH 16, 1983"

DRAFT LETTER

The Honorable
Al Ullman
Chairman
Committee on Ways & Means
U. S. House of Representatives
Washington, D.C.

Dear Al:

We have studied your proposal to provide a 20 percent tax credit for those who increase their employment above a level from last year. Your idea is ingenious, in that it provides a direct benefit to those who provide more jobs.

Despite this clear appeal, our analysis raises questions as to whether the result will be a significant increase in employment. In the present economic situation, with demand for production at an inadequate level, additional hiring depends largely on demand for the products produced. As a result, a credit of the type proposed would tend to benefit those industries with expanding markets. The result will be a windfall for some such industries, while others with weak markets will not get any benefit.

If the credit were permanent, it would have its major impact during periods when there are large increases in employment. In these periods, taxes would be reduced substantially. On the other hand, taxes would increase during the downward phase of the economic cycle, when it is more difficult to expand existing levels of employment.

In addition, a credit which emphasizes the employment of labor instead of capital can have the long run effect, although perhaps not large, of decreasing productivity. This result would run contrary to our desire to raise our nation's standard of living.

There are also administrative problems in working out a marginal credit of the type proposed. Perhaps these could be adequately dealt with if we had more time.

I agree wholeheartedly with your objective of putting people to work in the private sector of the economy. I believe, however, that under present conditions we can better achieve the objective you seek by providing a general economic stimulus. At the same time, we must provide training for those citizens without skills adequate to obtain employment.

Sincerely yours,

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

January 28, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: CHARLES SCHULTZE *CCS*

SUBJECT: The Ullman Employment Tax Credit

1. We assume the Ullman "employment tax credit" would pay each employer \$1000 for each net new worker hired over the prior year.
2. Over the next two years of recovery employment increases, eligible for the tax credit, should be about 3 million per year. Hence the cost would be \$3 billion per year.
3. Problems with the proposal
 - A. If made a permanent feature of the law it would accentuate business cycles. As the economy slowed down and started into a recession, net employment increases would slow down and then cease. Business taxes would rise (as they lost their tax credits) precisely at the wrong time.
 - B. Even with a subsidy, businessmen will not hire workers unless:
 - (i) they can sell the additional output that those workers produce -- i.e. sales go up; this tax credit does not help increase sales.
 - (ii) they use more workers per unit of output; this reduces productivity and is a dis-incentive to invest in new capital and technology.

Insofar as general increases in employment are concerned, we should concentrate on method (i), not method (ii). We do not need to penalize productivity to provide more employment. In fact, American productivity growth has been slowing down and we need to reverse, not encourage this.



- C. An employment subsidy that encourages employers to hire particular types of workers -- the disadvantaged -- at permanent career jobs might make sense. But to do this we need a very carefully developed and selective program which IRS cannot and should not administer. The Administration and the Congress ought to turn to the development of such a program, as a long-range measure -- but not hastily, in this stimulus package.
- D. A credit for net employment increases has extremely arbitrary effects on particular firms. In the recovery phase of the business cycle durable goods firms expand very rapidly and they would get much of the credit. Trade and service firms -- where many of the disadvantaged are hired -- would be less favorably treated. Among individual firms, the "luck of the draw" on base periods would determine how much the firm got. Firms who did well in 1976 would get little or nothing and vice-versa.
- E. Administration would not be impossible, but would be very difficult for IRS.
- (i) The relevant period for determining increases could obviously not be a particular week or month, but would have to be a year. This means getting "average employment" over a 52 week period.
 - (ii) Without special provisions, the program would encourage substituting part-time for full-time employment. Hence it would have to be written in terms of "full-time equivalents" -- another set of administrative regulations.
4. Political Considerations

Apparently neither the 4 percent credit against payroll tax nor the 2 percent investment credit, nor the optional combination is very popular with the Committee. Eventually they may change or modify our business-tax proposal. We should probably begin looking at some alternatives to be in a reasonable bargaining position.

I have discussed this memo with Bert Lance, and he agrees.

Recommendations

Blumenthal, Lance and Schultze should quietly examine alternatives, but for now the Administration should hold its ground.

Agree ✓

Disagree _____

See me _____

THE WHITE HOUSE
WASHINGTON

February 9, 1977

Richard Harden -

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

Re: Crippleers & Killers

THE WHITE HOUSE
WASHINGTON

cc Richard

THE PRESIDENT HAS SEEN

THE WHITE HOUSE

WASHINGTON

February 8, 1977

done
J

MEMORANDUM FOR:

THE PRESIDENT

FROM:

RICHARD HARDEN

Richard

SUBJECT:

Crippers and Killers

While reviewing my files from Georgia, I came across the attached report on the "Crippers and Killers." I thought you might want to consider asking Secretary Califano to redirect some of the HEW resources to deal more effectively with these problems.

Attachment

RECEIVED
FEB 10 1977
U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
WASHINGTON, D.C.

THE WHITE HOUSE
WASHINGTON

Februa ry 9, 1977

Jack Watson -

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling. with Secr etary Ca lifano .

Rick Hutcheson

Re : Booklet entitled:
CRIPPLERS & KILLERS

THE WHITE HOUSE
WASHINGTON

cc Watson

THE WHITE HOUSE

WASHINGTON

2-9-77

To Joe Califano

We did this while
I was Governor. Have it
assessed for similar nationwide
effort & for advisable
action by federal govern-
ment.

J.

Cancer

Venereal Disease

Accidents

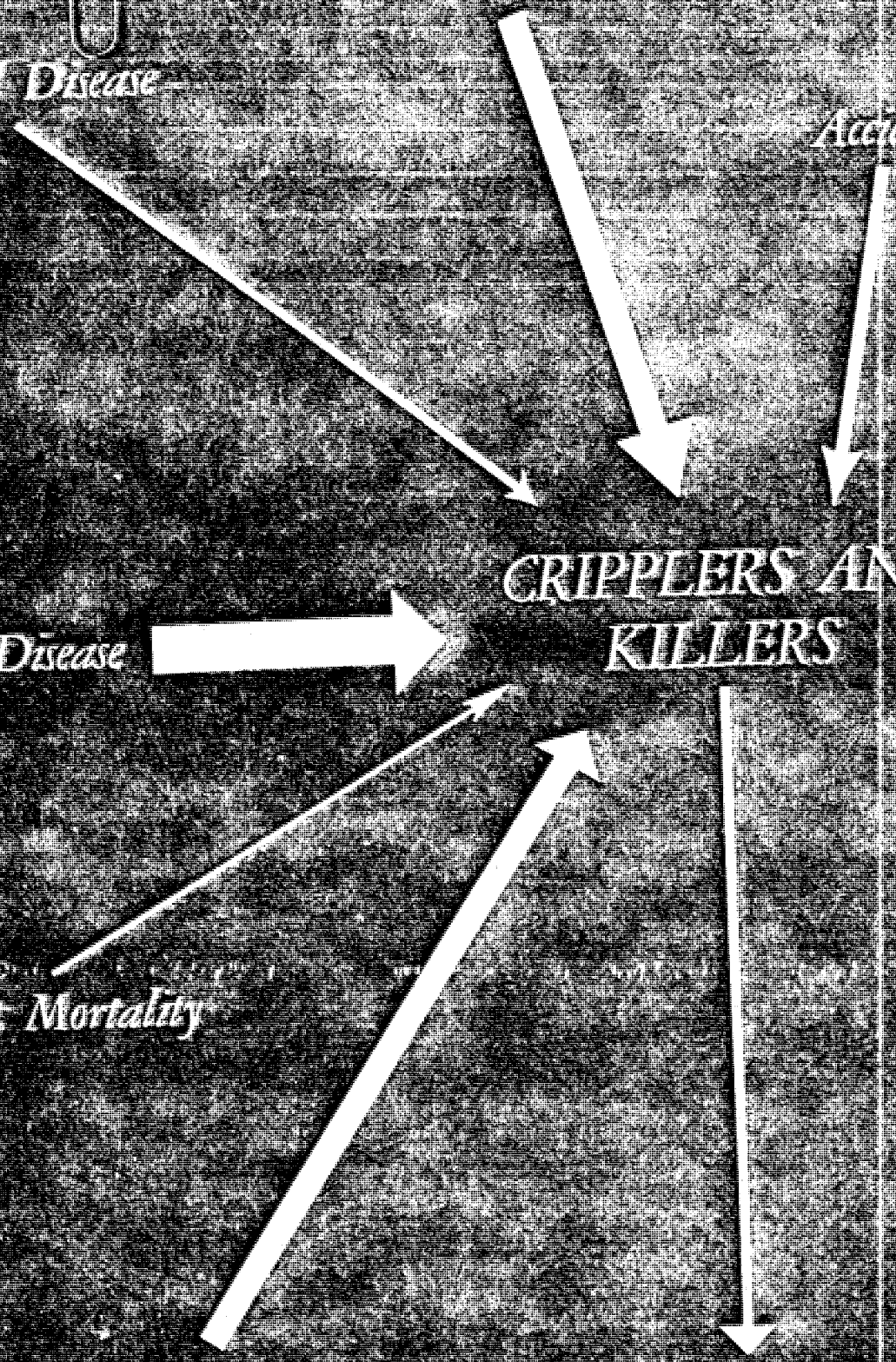
Heart Disease

**CRIPPLERS AND
KILLERS**

Infant Mortality

Stroke

*a profile of georgia
by G.E.A. Dever*



THE WHITE HOUSE
WASHINGTON

February 9, 1977

Jim Falls -

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

Re: Simon & Schuster Speech
Book

THE WHITE HOUSE

WASHINGTON

February 9, 1977

MEMORANDUM FOR: THE PRESIDENT
FROM: JIM FALLOWS *JMF*
SUBJECT: Simon & Schuster Speech Book

Here is a dummy of the front jacket for your book. (You'll see that the book itself is something very different, apparently a novel about the Caribbean.) On the real jacket, there will be copy on the back and spine.

The publishers are very proud of the jacket and wanted you to get a look to be sure it was all right. I think it looks nice too, and will show it to Jody before bringing it in to you. Again, no need to reply unless you are unhappy and want it changed. Changes are still possible at this point but they will mean a delay.

Enclosure

He likes it

It's great
[Signature]

cc.: JODY POWELL

THE WHITE HOUSE
WASHINGTON

February 9, 1977

Ham Jordan -

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Joe Aragon

Re: Immigration & Naturalization
Service

THE WHITE HOUSE
WASHINGTON

cc HAM
Joe Argo

MEMORANDUM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

February 9, 1977

*Ham Chapman will leave
Noto will not be
appointed -
Looking for a good
Hisp-Am to serve.*

MEMORANDUM FOR:

HAMILTON JORDAN

FROM:

JOE ARAGON *jwa*

J

SUBJECT:

IMMIGRATION AND NATURALIZATION SERVICE
(INS)

CONCLUSION

The retention of General Leonard Chapman as Commissioner of INS or the appointment of Mario Noto to that position will be universally interpreted by the Hispanic community as a sign of gross insensitivity on the part of the White House.

RECOMMENDATION

That a respected Hispanic American or someone who will be viewed as a fair and compassionate Commissioner be appointed.

RATIONALE

During the three years that Chapman has been Commissioner, the relationship between the INS and the Hispanic community has deteriorated to the point that in some areas of the country the mere mention of the INS is enough to bring panic and near hysteria.

Specifically, the reasons for this are:

- (1) Widespread use of the dragnet approach to apprehend undocumented aliens. In cities like Los Angeles, for example, it has been customary for INS agents to arbitrarily stop people on the street and ask for proof of citizenship (e.g., birth certificate). In fact, few people in this country carry such proof. (Remember that driver's licenses, social security cards, etc. are not considered proof of citizenship.) Lack of such proof coupled with language problems often result in deportation regardless of whether one is here legally or not.

Last year one of these sweeps was conducted on the D.C. monument grounds during a soccer game. Horses, cars and motorcycles plowed into the crowd watching the game. A few illegals were apprehended but several hundred innocent people were panicked and several were injured. The action

RECEIVED INS DIVISION FEB 12 1977

by Chapman produced a storm of protest from Hispanic civil rights groups to the Black Caucus and Washington Post.

- (2) In California several Mexicans were killed in an INS search for illegals in a rooming house. Those who were killed were not being sought by the INS. Incidents like these - there have been other mistake killings, have brought mild speaking persons such as Cesar Chaves to describe the INS as a "Gestapo" operation.
- (3) Chapman's strident descriptions of the "invasion" of the U.S. by Mexican Nationals and his claim, largely unjustified, that illegals are taking good paying jobs from American workers has created an air of hostility in cities and towns plagued with high unemployment. Last year, for example, a union official no doubt influenced by Chapman's rhetoric, was quoted in a major daily as saying that if what was required was men at the border armed with machine guns ready to "stop" illegals from crossing then so be it. In addition, rumors have become rampant that the U.S. is considering a massive deportation of Mexicans similar to the deportation that did take place during the 30's.
- (4) General Chapman's militaristic and insensitive approach has produced an air of hostility and arrogance within the Commission which is reflected in the conduct of INS agents. Racial/ethnic slurs are the standard M.O. during an interrogation.
- (5) The INS has only a meager number of Hispanics in its employ notwithstanding the tremendous amount of contact it has with the Spanish-speaking community.
- (6) The Service has a backlog of thousands of Hispanics who have applied for citizenship and who have been waiting for months and in some cases years to have their applications processed.
- (7) Mario Noto, a former employee of the INS is rumored to be the possible successor to Chapman. The reaction has been extremely negative. Congressman Edward Roybal of California who has long been concerned over the abuses of the INS was stunned to hear about it.

FINAL NOTE: I cannot think of any one thing that would have greater symbolic importance to this country's 15 million Hispanics than the removal of Chapman and the appointment of a person who would run the INS fairly and competently.

THE WHITE HOUSE
WASHINGTON

February 9, 1977

Jack Watson -

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling. with Secretary Marshall.

Rick Hutcheson

cc: Stu Eizenstat
Landon Butler/Ham Jordan
Midge Costanza

Re: Recommendation on the
Unemployed Veterans Program

THE WHITE HOUSE
WASHINGTON

cc : watson → ~~Cabinet~~
STY Marshall
~~STY~~
LONDON / H J
ridge

MEMORANDUM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

*Too narrow
a charge - just HIRE -
Let them address all
training/employment programs
for young people, with
HIRE being an
important part.*

ACTION

8 February 1977

TO:

THE PRESIDENT

FROM:

RICK HUTCHESON *fil*

SUBJECT:

Ray Marshall's Recommendation
on the Unemployed Veterans
Program

Marshall's memorandum describes the HIRE program for young unemployed veterans. Marshall suggests:

1. that you create a Presidential Steering Committee as soon as possible to organize a White House Conference to launch the new program.
2. that you ask Irving Shapiro to serve as Chairman of the Steering Committee.

According to Jack Watson, the subject has been discussed with Messrs. Blumenthal, Schultze, Lance and Ms. Kreps, and all agree with the proposal. Frank Moore also concurs.

Stu Eizenstat also concurs, and notes that the basic question about the HIRE program "is whether it will lead to permanent new employment or merely shift jobs from one group of low-skilled workers to another.

"The HIRE program will have to be carefully structured to ensure that, to the extent feasible, it leads to net new employment, i.e., that the workers covered would not have been employed were it not for this program."

☒ approve ☐ disapprove a Presidential Steering Committee to organize a White House Conference

see above

☒ approve ☐ disapprove Irving Shapiro as Chairman

note

Hamilton recommends that Steve Selig and Landon Butler work with Marshall on the membership of the Steering Committee

☒ approve ☐ disapprove

100-101010-100
100-101010-100

U. S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

WASHINGTON

PRIORITY

FEB 3 1977

MEMORANDUM TO: THE PRESIDENT
FROM: RAY MARSHALL *R.M.*
SUBJECT: Economic Recovery Program

As we have discussed, it is critical that the private sector be involved in the economic recovery program. Several of our proposed new program activities -- such as the Special Youth Employment Program, the Skill Training Improvement Program, and the Job Corps -- anticipate this kind of involvement and are dependent upon it for their success.

The most visible of these new programs is "HIRE", which is aimed at young unemployed veterans. HIRE will heavily involve the business community in training and employment activities. But if HIRE is to succeed, we will need your personal and public support of it -- your support in starting the program and in maintaining its effectiveness.

I think it would be particularly beneficial for you to be substantially involved in the early stages of the program. I would propose, therefore, that a Presidential steering committee be created at the earliest possible date to enlist the participation of the private sector in the program and to organize a White House Conference to launch the effort. The steering committee should be composed of twenty individuals and should be broadly representative of the business community, the labor movement, and veterans organizations. Irving Shapiro of the DuPont Corporation, who is also Chairman of the Business Roundtable, would be extremely well-qualified to serve as Chairman.

*Cut to
12-15*

The White House Conference organized by the steering committee will be designed to create an initial base of support for the program by explaining program goals and activities to business and labor leaders, and to leaders

of key veterans organizations. We will ask you to address this Conference so that you can state your own commitment to the program and urge the commitment of the conferees as well.

Immediately following the Conference, members of the steering committee will begin to meet personally with top executives of the nation's larger business firms to obtain corporate pledges to participate in the HIRE program. Representatives of the Department of Labor will quickly convert these pledges into simple no-red-tape contracts so that participating companies can begin hiring and training veterans immediately.

If you approve of this approach, the important first step is to ask Mr. Shapiro to come to the White House where we can explain the program to him, get his concurrence, and ask him to serve as Chairman of the steering committee. If Mr. Shapiro agrees to serve as Chairman, we will ask him to appoint a full time executive director to run the program and to organize the steering committee. Since the HIRE program has been announced in connection with the veterans initiative, we need to move quickly on this activity.

I am attaching for your convenience a paper describing the HIRE program in some detail and a suggested schedule for implementing the program.

Attachment

HIRE

INTRODUCTION

HIRE will be a new Federal initiative to involve the private sector in fulfilling the employment and training needs of young veterans. If there are not enough veterans available in a community to fill job openings, those jobs will be made available to economically disadvantaged youth and the long-term unemployed. The purpose of HIRE will be to make private sector employment and training opportunities available to members of these target groups - with special emphasis on opportunities for veterans.

THE TARGET CORPORATIONS

The program will target its efforts at large corporations that are major sources of employment opportunities. We will especially seek the participation of multi-regional firms that are capable of making a commitment to hire in the range of 500-1,000 target group members.

THE INDUCEMENT

Firms that participate in HIRE will be compensated by the Federal Government in order to recover some of the extraordinary costs incurred in recruiting, training, and otherwise assisting target group members to become competent and productive employees. Payment to a firm will vary per veteran hired depending on that person's occupational level and job.

THE FINANCIAL AGREEMENT

After making a pledge to employ target group members under the HIRE Program, a firm will enter into a simplified agreement with the national office of the Employment and Training Administration (ETA). The agreement will contain standard provisions relating to Federal payment, the recruitment and hiring of target group members, the provision of on-the-job training and the general terms and conditions of employment for target group members. The only variables in these agreements will be performance periods, the numerical hiring goals, and (based on those goals and the type of job opening) the dollar amounts committed by the Government.

PAYMENT PROCEDURES

To receive payment, the firm will submit a one-page invoice to ETA's national office. The firm will be permitted to invoice monthly or quarterly, whichever is most convenient to its established accounting or payroll periods. To substantiate the billings, the firm need maintain its normal payroll and time and attendance records, a record of the training provided along with official certifications that the individuals for whom payment is claimed are target group members.

EMPLOYING ESTABLISHMENTS

A firm's involvement in the program may be multi-plant in nature. Each HIRE contract will state the establishments and facilities in which the firm will offer employment and training opportunities to target group members.

RECRUITMENT AND REFERRAL OF TARGET GROUP MEMBERS

With regard to the recruitment of target group members, the firm will be required to rely first on referrals from local Job Service offices. When a job order is placed by the firm, the Job Service office will, for a period of 5 days, refer only eligible veterans. After 5 days, the Job Service may refer target group members who are not veterans. As a second source of referrals, the firm will be instructed to use prime sponsors under the Comprehensive Employment and Training Act. If these agencies are not able to refer target group members for employment, the firm may then use other recruitment methods as approved in the contract. In the event that an employing establishment is located in a suburb or on the fringes of a metropolitan area, the Department of Labor may require the firm to place its job orders with inner-city Job Service offices and the CETA prime sponsor responsible for the central city in order to better serve the target group members.

CERTIFICATION OF TARGET GROUP MEMBERS

In order for the firm to request and receive payment for the employment of an individual, the individual must be certified as a member of an eligible target group. Certification may

be accomplished only by a Job Service agency or a CETA prime sponsor. To substantiate its payment requests, the firm must keep on file a copy of the certification document executed for each target group member who is employed.

SELECTION FOR HIRING

The firm retains its lawful rights to select for employment only those individuals it deems capable of becoming acceptable workers.

TERMS AND CONDITIONS OF EMPLOYMENT

The firm will be paid for the extraordinary costs related to the employment of a certified individual only if all of the following conditions are met:

- The terms and conditions of the certified individual's employment must be in compliance with all applicable Federal, State, and local laws.
- The certified individual must receive on-the-job training and intensive supervision designed to provide the skills and abilities needed for acceptable performance as a worker. Also, the firm will be encouraged to utilize additional forms of employability assistance, such as orientation, classroom training, and counseling.
- The certified individual must be employed in a permanent, full-time job. The job may not be a part-time position or of a temporary, seasonal, or intermittent nature.
- The certified individual must be employed in a job that pays \$3.50 or more per hour.
- The certified individual must not be employed in any low-skill job, unless that job pays \$4.00 or more per hour.

- The certified individual must be accorded the same terms of employment, working conditions, and benefits as the firm's other employees who perform the same work.
- The certified individual must be employed in the United States or in its territories or possessions.

MAINTENANCE OF EFFORT

The employment of target group members must not result in the displacement of any worker who is currently employed, on lay-off, or on strike. Target group members may not be employed at any facility that was relocated from another labor market area within the previous 3 years, and payments will not be allowed for any otherwise eligible target group member who had been laid off by the firm and who has recall rights.

CONCURRENCE OF LABOR ORGANIZATIONS

The firm will not be allowed to hire target group members into jobs covered by collective bargaining agreements, unless the firm obtains the prior written concurrence of the bargaining agent relative to corporate participation in the HIRE Program.

FUNDING LEVEL

In Fiscal Year 1977, up to \$120 million will be allocated to the HIRE Program from discretionary resources presently available under title I of the Comprehensive Employment and Training Act. This amount would support between 60-80 thousand employment and training opportunities. No immediate action from Congress is needed to mount the program. In Fiscal Year 1978, consideration will be given to making a special appropriation request to continue or expand the program.

HIRE

Tentative Implementation Schedule

February 3 - 9.....President meets with Irving Shapiro
and Secretary of Labor.

February 10 - 15.....Executive Director for the program
is selected.

February 16 - 21.....Steering committee is formed.

February 22 - 25.....Presidential invitations are sent
for the White House Conference.

March 15.....White House Conference

ACTION MEMORANDUM

THE WHITE HOUSE

WASHINGTON

LOG NO:

Date: February 5, 1977

Time:

2/9 (Jack)

cc (for information):

FOR ACTION:

The Vice President

Stu Eizenstat

Bob Lipshutz

✓ Frank Moore

Jody Powell

Midge Costanza

Hamilton Jordan

FROM THE STAFF SECRETARY

DUE: Date: Tuesday, February 8, 1977

Time: 4:00 P.M.

SUBJECT:

Jack Watson memo 2/4/77 re Ray Marshall's
recommendation on the Unemployed Veterans
Program.

ACTION REQUESTED:

☐ For Necessary Action☐ Prepare Agenda and Brief☒ For Your Comments☒ For Your Recommendations☐ Draft Reply☐ Draft Remarks

REMARKS:

ok - Frank Moore

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a
delay in submitting the required material, please
telephone the Staff Secretary's Room.

RICK HUTCHESON
STAFF SECRETARY

Date: February 5, 1977

Time:

FOR ACTION:

cc (for information):

The Vice President

Jody Powell

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Midge Costanza

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Frank Moore*FM-OK.*

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Program.

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☐ For Necessary Action☒ For Your Recommendations☐ Prepare Agenda and Brief☐ Draft Reply☒ For Your Comments☐ Draft Remarks

REMARKS:

*Send to Trudy Frye
w/Beement*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED

If you have any questions or if you anticipate a
change in the content of this material, please
advise the Staff Secretary immediately.

RICK HUTCHESON
STAFF SECRETARY

THE WHITE HOUSE

WASHINGTON

February 4, 1977

MEMORANDUM TO: THE PRESIDENT
FROM: JACK WATSON *Jack*
RE: Ray Marshall's recommendation on
the Unemployed Veterans Program

Attached is a memorandum from Ray Marshall with an enclosure which describes the "HIRE" program for the young unemployed veterans. Ray suggests the following recommendations:

1. That you create a Presidential Steering Committee as soon as possible to organize a White House Conference to launch the new program.
2. That you ask Irving Shapiro to serve as Chairman of the Steering Committee.

The subject has been discussed with Messrs. Blumenthal, Schultze, Lance and Ms. Kreps and all agree with the proposal.

Attachment

U. S. DEPARTMENT OF LABOR
OFFICE OF THE SECRETARY
WASHINGTON

PRIORITY

FEB 2 1977

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The White House Conference organized by the steering committee will be designed to create an initial base of support for the program by explaining program goals and activities to business and labor leaders, and to leaders

of key veterans organizations. We will ask you to address this Conference so that you can state your own commitment to the program and urge the commitment of the conferees as well.

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and Secretary of Labor.
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is selected.
- February 16 - 21.....Steering committee is formed.
- February 22 - 25.....Presidential invitations are sent
for the White House Conference.
- March 15.....White House Conference


THE WHITE HOUSE
WASHINGTON

Mr. President:

Frank concurs with Marshall's
memorandum, along with Jack.

Hamilton recommends that

THE WHITE HOUSE
WASHINGTON

February 4, 1977

MEMORANDUM TO:

THE PRESIDENT

FROM:

JACK WATSON

RE:

Ray Marshall's recommendation on
the Unemployed Veterans Program

Attached is a memorandum from Ray Marshall with an enclosure which describes the "HIRE" program for the young unemployed veterans. Ray suggests the following recommendations:

1. That you create a Presidential Steering Committee as soon as possible to organize a White House Conference to launch the new program.
2. That you ask Irving Shapiro to serve as Chairman of the Steering Committee.

The subject has been discussed with Messrs. Blumenthal, Schultze, Lance and Ms. Kreps and all agree with the proposal.

Attachment

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

February 8, 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT AND BOB GINSBURG *Stu*

SUBJECT: Secretary Marshall's Recommendation
to Launch the HIRE PROGRAM with a
White House Conference

We think that the White House Conference suggested by Secretary Marshall would be a useful mechanism for you to demonstrate your commitments to (1) a vigorous effort to involve the private sector in employment and training programs in general and (2) the hiring of Vietnam veterans in particular.

The basic question about the HIRE program, like any job preference program, is whether it will lead to permanent new employment or merely shift jobs from one group of low-skilled workers to another. The HIRE program will have to be carefully structured to ensure that, to the extent feasible, it leads to net new employment, i.e. that the workers covered would not have been employed were it not for this program. Otherwise, we will be in the position of paying subsidies to large corporations to employ workers whom they would have employed anyway.

Date: February 5, 1977

Time:

FOR ACTION:

cc (for information):

The Vice President
Stu Eizenstat
Bob Lipshutz
Frank Moore

Jody Powell
Midge Costanza
Hamtilton Jordan

xc: *Carp*
Rubenstein
Ginsburg

PLEASE THE STAFF SECRETARY

DATE: Date: Tuesday, February 8, 1977

Time: 4:00 P.M.

SUBJECT:

Jack Watson memo 2/4/77 re Ray Marshall's
recommendation on the Unemployed Veterans
Program.

ACTION REQUESTED:

☐ For Necessary Action☒ For Your Recommendations☐ Prepare Agenda and Brief☐ Draft Reply☒ For Your Comments☐ Draft Remarks

REMARKS:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED

If you have any questions or if you anticipate a
change in the information submitted, please
contact the Staff Secretary.

RICK HUTCHESON
STAFF SECRETARY

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

MEMORANDUM TO RICK HUTCHESON

FROM: HAMILTON JORDAN *HJ*

DATE: FEBRUARY 8, 1977

I recommend that Steve Selig and Landon Butler be designated to work with Ray Marshall on the names for the Steering Committee of the Labor HIRE program for veterans.

ACTION MEMORANDUM

WASHINGTON, D.C.

LOG NO.:

Date: February 5, 1977

Time:

FOR ACTION:

cc (for information):

The Vice President
Stu Eizenstat
Bob Lipshutz
Frank Moore

Jody Powell
Midge Costanza
Hamilton Jordan

FROM THE STAFF SECRETARY

DUE: Date: Tuesday, February 8, 1977

Time: 4:00 P.M.

SUBJECT:

Jack Watson memo 2/4/77 re Ray Marshall's
recommendation on the Unemployed Veterans
Program.

ACTION REQUESTED:

☐ For Necessary Action☒ For Your Recommendations☐ Prepare Agenda and Brief☐ Draft Reply☒ For Your Comments☐ Draft Remarks

REMARKS:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED

If you have any questions or if you anticipate a
delay in submitting the required material, please
telephone the Staff Secretary immediately.

RICK HUTCHESON
STAFF SECRETARY

THE WHITE HOUSE
WASHINGTON

February 9, 1977

Stripping

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

P.S. The Original was sent to
Frank Moore to be delivered.

THE WHITE HOUSE
WASHINGTON

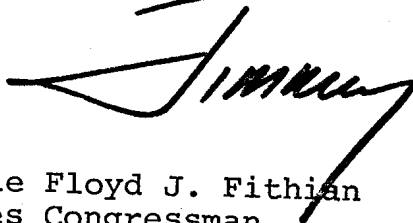
February 9, 1977

To Congressman Floyd Fithian

I deeply appreciate your note letting me know of your assistance with reorganization.

I know it appears a most formidable task, and will certainly be difficult work for us. I am grateful for your public expression of support and help.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jimmy", with a long horizontal line extending from the end of the signature.

The Honorable Floyd J. Fithian
United States Congressman
Washington, D.C. 20515

Mr President -

Susan -
"th"
Lms
J

I will help in every
way possible to assist
you in your efforts to
reorganize the Executive
Branch.

It will be an extremely
difficult task.

I have made the same
pledge to my district.

This will be your most
difficult task. We in Congress
should not interfere in any way.

Flavel Vithum H.C.

THE WHITE HOUSE
WASHINGTON

February 9, 1977

Stripping

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

P.S. The Original was picked up
by Jim Fallows secretary.
David Lynch of The Buffalo
Courier Express delivered
the letter.

cc Bob Lender

THE WHITE HOUSE
WASHINGTON

Trudy

Hold. Someone from
Jim Fallows office
will tell you who will
pick up.

Phil

THE WHITE HOUSE

WASHINGTON

February 9, 1977

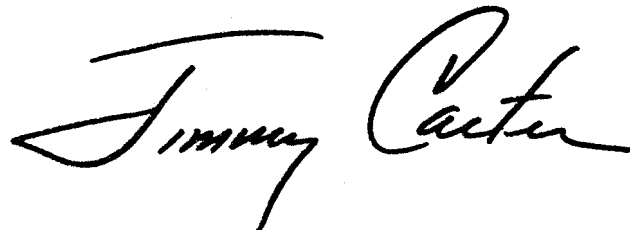
MESSAGE FROM THE PRESIDENT TO THE PEOPLE OF BUFFALO

This has been a difficult winter for all Americans, but especially for the people of Buffalo. You have had your lives and businesses disrupted. Even the simplest daily activities have become impossible for long periods, and the number of dead and injured is still rising.

When Midge Costanza and my son Chip came back to tell me what they'd seen in your city, they told me about police and firemen who were frostbitten rescuing motorists from their stalled cars, and of the fine job Tom Casey has done coordinating federal help. "But one of the great things," Midge said, "is the sense of community, of people helping each other. That's what is holding it all together."

We as a nation have wasted too much too long, and we are having to pay for some of that waste this winter. But we are also learning that we can do better, that we need not use up what we cannot later do without, that we can do with less so that everyone may have enough.

The people of Buffalo have exemplified throughout this emergency the spirit of love and concern for their neighbors that Americans have always shown in times of trouble. You have shown the bravery and the self-discipline and the willingness to work together under difficult circumstances that have made this nation great. I'm proud of you.

A handwritten signature in black ink, reading "Jimmy Carter". The signature is written in a cursive, flowing style. The "J" is large and loops around the "i". The "Carter" part is also cursive, with the "C" being particularly large and looping.

Revised -
Type on one page

MESSAGE FROM THE PRESIDENT TO THE PEOPLE OF BUFFALO

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have shown the bravery and the self-discipline and the willingness to work together under difficult circumstances that have made this nation great. I'm proud of you.

THE WHITE HOUSE
WASHINGTON

2-9-77

To Russell Viers

I read your ~~there~~
in the paper, and
thank you for your
help. I need all
the support that people
will give me - even
when I make mistakes.

Best wishes from
me and Amy.

With friends like
you to work with me,
maybe I can be a
good President.

Jimmy Carter

File to Shipp
2/15/77

THE WHITE HOUSE
WASHINGTON

2-9-77

To Jim Longley

Thank you for your
great telegram.

I'm glad to know
that the family of the
independent Governor are
also independent!

Jimmy

THE WHITE HOUSE
WASHINGTON

February 10, 1977

FOR: STEVE SELIG
FROM: RICHIE REIMAN
SUBJECT: American Textile Manufacturers Institute Inc.
Meeting of Wednesday, February 9, 1977

11105-5
PR 7-1
FG 6-1-1/Selig
FG 6-1-1/Costanza
PR 10
Mady

The following is the actual agenda for the above subject meeting.

2:00 Opening remarks by Steve Selig

Steve Selig introduced Ray Shockley, EVP, ATMI

Remarks by Ray Shockley

Ray Shockley introduced James D. Finley, Pres, ATMI and Chairman and CEO, J. P. Stevens & Co., Inc.

Brief remarks by James Finley

James Finley introduced Robert S. Small Second V.P., ATMI and Pres., Dan River Inc.

Robert Small made slide presentation re: Multifibre Arrangement

At conclusion of slide presentation, James Finley introduced Robert P. Timmerman, First V.P., ATMI and President, Graniteville Co.

2:15 Robert Timmerman gave presentation re:

1. Energy related to textile manufacturers
2. OSHA
 - a. Noise
 - b. Better safety record in textile industry than in Labor Department
 - c. Dust
 - d. Employment of large percentage of minorities and women

2:25 Steve Selig introduced Secretary of the Treasury,
Michael Blumenthal

2:26 Secretary Blumenthal presentation

1. Committed himself to renewal of Multifibre Agreement, no details discussed;
2. Mentioned President is aware of over regulation problem (OSHA) and that the President is determined to simplify regulation.

2:44 Secretary Blumenthal Question & Answer Session

2:57 Steve Selig introduced Midge Costanza

2:59 Presentation by Midge Costanza

3:11 Midge Costanza Question & Answer Session

3:17 President arrived from rear of room and shook hands with members of ATMI as he made his way to the podium.

The President in his remarks told the group that:

1. He is aware of the import problem
2. OSHA is a good concept but must be simplified
3. They can expect a comprehensive and long-range energy policy by April 20
4. The President promises support of renewal of Multifibre Agreement

3:35 The President departed by the side door

3:36 Midge Costanza departed by the side door

Steve Selig introduces Frank Weil, Assistant Secretary for Domestic International Business Administration, Department of Commerce

3:37 Frank Weil presentation

3:42 Frank Weil introduced Michael B. Smith, Bob Shepherd, and Bob Ginsberg

3:43 Questions & Answer Session for above group (nine questions were asked all of Smith)

4:00 Steve Selig thanked group and adjourned meeting

THE WHITE HOUSE
WASHINGTON

2-9-77

To Donald Leavitt

Commander Leavitt
either taught me in
the classroom or in
the larger groups.

It's good to
hear from you. Give
my regards to your
mother -

Jimmy

THE WHITE HOUSE
WASHINGTON

2-9-77

To Kika de la Garza

Thank you for the
report on the 15th
District election returns.

It shows the good
judgment of your
people - for Congress,
Senator & President!

Your friend

Jimmy

THE WHITE HOUSE
WASHINGTON

2-9-77

To Mr. Ullall

Thanks for the
advice - I'll take
it.

Stay close to me
& remember that I
am always available
to help you or your
people -

Jimmy

THE WHITE HOUSE
WASHINGTON

February 9, 1977

Secretary Vance
thru Z. Brzezinski

Re: Mexican Offer of Oil and Gas

Further to our memorandum of February 8,
on the above subject, the attached memo-
randum from FEA is forwarded to you as
additional information.

Rick Hutcheson

THE WHITE HOUSE
WASHINGTON


February 8, 1977

MEMORANDUM FOR: Rick Hutcheson

SUBJECT: Stu Eizenstat's Memorandum to
 The President on Natural Gas --
 Four Questions

Attached you will find answers to the four questions
addressed in Stu Eizenstat's Memorandum to the
President on Natural Gas.

If you need any more information please let me
know.


Frank R. Pagnotta

Attachments

PROPRIETARY



FEDERAL ENERGY ADMINISTRATION

WASHINGTON, D.C. 20461

February 8, 1977

OFFICE OF THE ASSISTANT ADMINISTRATOR

MEMORANDUM FOR FRANK PAGNOTTA
HARRY BERGOLD

FROM: CLEMENT B. MALIN *C.B.M.*
SUBJECT: STU EIZENSTAT'S MEMORANDUM ON NATURAL GAS

The following addresses the four questions of your February 7 memorandum.

- Q1. Would the Mexican crude be 50 cents more expensive than Saudi or Indonesian crude when landed at U.S. refineries, or just 50 cents more expensive than Mexican crude normally is?
- A. As quoted (\$13.45/bbl) the Mexican crude is generally comparable to the landed prices of Saudi and Iranian 31° gravity crudes. But the several oil companies and brokers contacted (Shell, Gulf, Mobil, Amoco, Exxon, and Tesoro) indicated that a discount (perhaps .30-.50/bbl) would be needed to make the offer interesting--especially given: the small quantity and time period involved (approximately 30,000 bbls/d for 90 days); and the necessity to change current supply schedules; and the relatively high sulphur content (1.5 percent).

This type of Mexican oil is in surplus primarily because Mexico increased its price by 10 percent while the Saudis increased by 5 percent.

- Q2. Are there restrictions on shipping (such as the Jones Act) or limitations on other transportation modes which could be waived to make purchase of Mexican crude more attractive to U.S. refineries?

PROPRIETARY

- A. No legal restrictions on transportation apply here (e.g., Jones Act) because the source is foreign and the prospective importers are private. If, however, the U.S. Government were to purchase the oil, U.S. cargo preference conditions would apply.
- Q3. Is it possible to purchase this Mexican crude now for the U.S. strategic stockpile, delaying the delivery date until storage facilities are completed?
- A. The Mexican crude could meet U.S. Strategic Petroleum specifications which call for about 300 million barrels of this type of crude. The U.S. Government plans to issue a request for bids for oil for the storage program by next month--with deliveries of 30,000-60,000 b/d to begin in July. If the Mexican Government anticipates that its supply situation at that time would permit, we would welcome a bid as soon as we are legally authorized to accept one.
- Q4. Would the Mexican crude, if purchased be delivered to the East or West Coast markets? (The West Coast does face a crude surplus once the Alaska pipeline has been filled.)
- A. The Mexican oil would serve only East Coast refineries because there are no pipelines available for distributing Gulf of Mexico oil to the West Coast--and the cost of delivery by tanker would be commercially prohibitive.

Conclusion

We should express sincere appreciation to the Mexican Government for its offer; but explain that our main difficulty at this time is with the normal transportation logistics associated with the distribution of petroleum products--not crude supplies.

Moreover, that we have explored the offer with several U.S. oil companies who have indicated some interest but at lower prices given the reasons cited in the answer to question 1 above.

And finally, that the U.S. Government may be able to take advantage of their offer under our Strategic Petroleum Reserve Program in the very near future--once procurement procedures have been specified and authorities granted.

Date: *2/7/77*

MEMORANDUM

FOR ACTION:

Schlesinger

FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT:

*Eizenstat Memo on Natural Gas - 4 quarters*YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:TIME: *12 noon*DAY: *Wed*DATE: *2/9/77*

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.☐ No comment.*Please note other comments below:*

THE WHITE HOUSE
WASHINGTON

February 7, 1977

MEMORANDUM FOR

THE PRESIDENT

FROM:

STU EIZENSTAT, KITTY SCHIRMER

SUBJECT:

Schlesinger Memo on
Natural Gas

Before making a decision which may be diplomatically awkward, the following questions should be addressed:

- (1) Would the Mexican crude be 50¢ more expensive than Saudi or Indonesian crude when landed at U. S. refineries, or just 50¢ more expensive than Mexican crude normally is?
- (2) Are there restrictions on shipping (such as the Jones Act) or limitations on other transportation modes which could be waived to make purchase of Mexican crude more attractive to U. S. refineries?
- (3) Is it possible to purchase this Mexican crude now for the U. S. strategic stockpile, delaying the delivery date until storage facilities are completed?
- (4) Would the Mexican crude, if purchased be delivered to the East or West Coast markets? (The West Coast does face a crude surplus once the Alaska pipeline has been filled.)

THE WHITE HOUSE
WASHINGTON

February 8, 1977

Secretary Vance
thru Z. Brzezinski

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Jim Schlesinger
Stu Eizenstat

Re: Mexican Offer of Oil & Gas

THE WHITE HOUSE
WASHINGTON

TO Vane for Action
Thru Brzezinski
cc Schlesinger
Sty

THE WHITE HOUSE
WASHINGTON

Mr. President:

Schlesinger memo on
offer by Mexico of
gas and crude oil.

Comments by Brzezinski
and Eizenstat are
attached.

Stu's questions regarding
crude oil have been
forwarded to Schlesinger
for a response.

Rick

MEMORANDUM


100-100000-100000

THE WHITE HOUSE
WASHINGTON

cc: CCC memo
to Vance for
action -
J.C.

4 February 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Jim Schlesinger 

SUBJECT: Mexican Offer of Oil and Gas

The Mexican offer of 2.6 million barrels of crude oil and 30-40 million cubic feet of gas, conveyed to Cy Vance, is something of a mixed blessing.

The U.S. is not short of crude. We have a product distribution problem, but no crude supply problem. Because of transportation intricacies, the Mexican crude could only arrive at our refineries at a penalty of 50¢ per barrel, while requiring a slowing down of present shipping schedules. Consequently, the arrangement is not economically attractive to our American refiners and would require some persuasion on our part. By contrast, the arrangement is economically advantageous to the Mexicans since they recently raised crude prices and now have a crude surplus which they would like to trade for foreign exchange.

However, we can use the gas and we are prepared to issue an import permit for it. Texas Eastern is applying for the permit today and, once issued, the firm can contract with Pemex to bring the gas into Texas.

I cannot judge the diplomatic equities involved, but I urge that you consider courteously declining the Mexican offer of crude oil and accepting their offer of the gas.

100-100000-100000
100-100000-100000
100-100000-100000


MEMORANDUM

THE WHITE HOUSE

WASHINGTON

February 7, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: ZBIGNIEW BRZEZINSKI 
SUBJECT: Schlesinger Memorandum of Mexican Offer
of Oil and Gas

In his memorandum to you on the Mexican offer of oil and gas dated February 4, 1977, Mr. Schlesinger urged you to accept the Mexican offer of gas. I agree with this suggestion.

In the same memorandum, Mr. Schlesinger urged you to decline the Mexican offer of crude oil. If Mr. Schlesinger is correct in stating that the Mexican offer to sell crude oil to the US is not economically attractive to American refiners because the crude is costly compared to other oil, it would be inappropriate for us to accept President Lopez Portillo's offer. While I believe we have long-term objectives in obtaining Mexican crude, I do not think turning down this short-term offer would necessarily compromise those objectives, as the Mexicans need foreign exchange and will likely be interested in selling additional amounts of crude (consistent with their nationalistic and conservationist sensitivities) to the US in coming years. But rather than flatly rejecting the Mexican offer of crude, I believe you should thank the Mexican President for his generous offer and indicate that we will promptly make the American companies aware of its availability.

THE WHITE HOUSE

WASHINGTON

February 7, 1977

MEMORANDUM FOR

THE PRESIDENT

FROM:

STU EIZENSTAT, KITTY SCHIRMER

Stu

SUBJECT:

Schlesinger Memo on
Natural Gas

Before making a decision which may be diplomatically awkward, the following questions should be addressed:

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- (4) Would the Mexican crude, if purchased be delivered to the East or West Coast markets? (The West Coast does face a crude surplus once the Alaska pipeline has been filled.)

THE WHITE HOUSE

WASHINGTON

Date: February 9, 1977

MEMORANDUM

FOR ACTION:
Joe Aragon
Stu Eizenstat
Jack Watson

FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Zbigniew Brzezinski memo 2/9/77 re
Mayor of San Diego's Telegram on Conference
on Illegal Mexican Immigration.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 9:00 A.M.

DAY: Friday

DATE: February 11

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE

WASHINGTON

February 9, 1977

ACTION

MEMORANDUM FOR: THE PRESIDENT

FROM: ZBIGNIEW BRZEZINSKI *ZB.*

SUBJECT: Mayor of San Diego's Telegram on
Conference on Illegal Mexican Immigration

Pete Wilson, Mayor of San Diego, sent you a telegram on February 7 urging that you secure the attendance and cooperation of senior federal officials from the Departments of Justice and State to attend a meeting in San Diego on Friday, February 18, on the various problems associated with the growing illegal influx of Mexicans into the United States.

This will undoubtedly be one of the subjects which you will discuss with President Jose Lopez Portillo next week. It would therefore be useful for you to indicate your interest and concern for these issues and that you encourage such efforts as this conference to search for solutions to these problems.

RECOMMENDATION:

That you approve the draft telegram at Tab A.

DRAFT TELEGRAM

FROM PRESIDENT CARTER TO PETE WILSON, MAJOR OF SAN DIEGO

I appreciate your message and intend to discuss these issues when
I meet with President Lopez Portillo next week.

I will see to it that representatives of the State and Justice Departments
and from the Immigration and Naturalization Service attend your
conference on February 18. Sincerely, Jimmy Carter.

14 MAILGRAM SERVICE CENTER
MIDDLETOWN, VA. 22645

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Re US/Mexican

Meeting Feb. 18

1-00213SM036 02/05/77 ICS IPMSDLB SDG WSHA
01008 MGM SANDIEGO CA 726 2-4 501P PST

396

THE PRESIDENT
THE WHITE HOUSE
WASHINGTON DC 20500

NSC

MY DEAR MR. PRESIDENT:

ON BEHALF OF THE CITY OF SAN DIEGO, I REQUEST YOUR ASSISTANCE TO BRING ABOUT A MEETING OF APPROPRIATE SENIOR FEDERAL OFFICIALS TO EXPLORE SOLUTIONS TO THE PROBLEMS ASSOCIATED WITH THE GROWING ILLEGAL INFUX OF MEXICAN NATIONALS INTO THIS COUNTRY.

MY MOST IMMEDIATE CONCERN IS THE HEIGHTENED AND ONTOLERABLE INCIDENCE OF CRIME ALONG THE INTERNATIONAL BORDER. IN RECENT MONTHS, WE HVE WITNESSED BOTH MEXICAN AND AMERICAN RESIDENTS--AS WELL AS ALIENS THEMSELVES--BECOME THE VICTIMS OF A GROWING INCIDENCE OF ROBBERY, ASSAULTS AND MURDERS AT AND AROUND THE BORDER.

BECAUSE FEDERAL AGENCIES HAVE LACKED THE MANPOWER AND OTHER RESOURCES TO POLICE THE BORDER, OUR CITY POLICE DEPARTMENT HAS UNDERTAKEN TO DO SO IN AN EFFORT TO REDUCE THE INCIDENCE OF ALIEN-RELATED CRIME IN THE AREA.

BUT THE LAW ENFORCEMENT RESOURCES WHICH WE CAN DIVERT TO THIS ACTIVITY CANNOT ADEQUATELY DEAL WITH WHAT IS A FAR LARGER AND NOT A LOCAL PROBLEM. BECAUSE THE RESPONSIBILITY FOR BORDER PATROL AND IMMIGRATION IS A MATTER OF FEDERAL JURISDICTION, WE TURN TO YOU FOR ASSISTANCE IN SOLVING WHAT HAS BECOME A VERY SERIOUS SITUATION THREATENING THE HEALTH AND WELFARE OF OUR CITIZENS.

I REQUEST THAT YOU SECURE THE ATTENDANCE AND COOPERATION OF APPROPRIATE SENIOR FEDERAL OFFICIALS FROM THE DEPARTMENTS OF JUSTICE AND STATE AT A MEETING IN SAN DIEGO ON FRIDAY, FEBRUARY 18 AT 9 A.M. IN ROOM 2000 OF THE CITY ADMINISTRATION BUILDING, 202 C STREET WITH HONORABLE LIONEL VAN DEERLIN, OUR LOCAL CONGRESSIONAL REPRESENTATIVE, LOCAL ELECTED OFFICIALS AND LAW ENFORCEMENT OFFICERS.

THE IMMEDIATE CRIME PROBLEM OCCASIONING MY CONCERN IS, OF COURSE, ONLY PART OF THE MUCH LARGER PROBLEM OF THE CONTINUED FLOW OF ILLEGAL ALIENS INTO THE U.S. FROM THE REPUBLIC OF MEXICO. I WOULD RESPECTFULLY OFFER THESE TWO OBSERVATIONS:

FIRST, WITHOUT THE ACTIVE COOPERATION OF MEXICAN OFFICIALS ON THE MEXICAN SIDE OF THE BORDER TO RESTRAIN ILLEGAL ENTRY BY MEXICAN

NATIONALS, EVEN A GREATLY AUGMENTED FEDERAL EFFORT ON OUR SIDE OF THE BORDER WILL LIKELY BE UNSUCCESSFUL.

SECOND, IT IS THE OBVIOUS DISPARITY OF ECONOMIC CONDITIONS ON THE TWO SIDE OF THE BORDER THAT CONTINUES TO PROMPT THE MASSIVE FLOW OF MEXICAN NATIONALS INTO THE U.S. ILLEGALLY, NOT JUST AT SAN YSIDRO BUT ALL ALONG THE U.S./MEXICAN BORDER. THE RESULTING WHOLESAL IMMIGRATION FROM THE INTERIOR OF MEXICO NORTH TO THE BORDER SEVERELY IMPACTS NOT JUST MY COMMUNITY AND OTHER U.S. BORDER CITIES, BUT ALSO OUR SISTER MEXICAN BORDER COMMUNITIES WHICH IS, TO SAY THE LEAST, GRAVELY CHALLENGING.

ALTHOUGH THIS ECONOMIC DISPARITY IS OF SUCH CHALLENGING DIMENSIONS THAT IT CANNOT BE QUICKLY OR EASILY ELIMINATED, I SUGGEST THAT THE SELF-INTEREST OF THE UNITED STATES (AND, AGAIN, NOT JUST BORDER COMMUNITIES BUT CITIES AS FAR AWAY AS CHICAGO AND DETROIT) WOULD BE SERVED WERE WE TO CONSCIOUSLY AND EXPLICITLY ADDRESS HOW SOME SHARPLY FOCUSED U.S. ECONOMIC ASSISTANCE MIGHT HELP THE MEXICAN GOVERNMENT PRODUCE A BETTERMENT OF THE ECONOMIC CONDITIONS IN THE INTERIOR OF MEXICO SO AS TO REDUCE THE IMPETUS FOR IMMIGRATION NORTH TO AND ACROSS THE U.S./MEXICAN BORDER.

SUCH ASSISTANCE COULD BE EXPLICITLY CONDITIONED UPON SPECIFIC COOPERATION BY THE MEXICAN GOVERNMENT TO RESTRAIN ILLEGAL ENTRY INTO THE UNITED STATES.

AND IN FACT, STATEMENTS BY PRESIDENT LOPEZ-PORTILLO MAKE CLEAR THE PROPER AND UNDERSTANDABLE CONCERN OF HIS GOVERNMENT THAT THE REPUBLIC OF MEXICO NOT LOSE SOME OF ITS MOST AMBITIOUS, TALENTED AND ENERGETIC CITIZENS WHO MAY ATTEMPT ILLEGAL ENTRY INTO THE UNITED STATES IN SEARCH OF ECONOMIC OPPORTUNITIES NOT AVAILABLE TO THEM IN THE MEXICAN INTERIOR.

ACCORDINGLY, I RESPECTFULLY URGE YOUR CONSIDERATION OF THIS LAST SUGGESTION AND SOLICIT THE INFLUENCE OF YOUR OFFICE IN INVITING THE ATTENDANCE OF APPROPRIATE MEXICAN FEDERAL OFFICIALS TO THE MEETING IN

SAN DIEGO IN FEBRUARY 18 TO EXPLORE AND ACHIEVE THE U.S./MEXICAN COOPERATION SO CLEARLY NEEDED TO RESOLVE THIS MUTUAL PROBLEM.

I WOULD EMPHASIZE THAT THIS COMMUNITY HAS ENJOYED THE MOST CORDIAL RELATIONSHIP BOTH WITH OUR LONG-TIME GOOD NEIGHBOR, THE CITY OF TIJUANA, AND WITH A SUCCESSION OF MEXICAN STATE AND FEDERAL GOVERNMENTS. I WAS RECENTLY PRIVILEGED TO ATTEND AS A PART OF THE U.S. DELEGATION THE INAUGURATION CEREMONIES HONORING PRESIDENT JOSE LOPEZ PORTILLO. SAN DIEGO HAS HAD AND WILL HAVE INCREASINGLY FREQUENT AND MUTUALLY ADVANTAGEIOUS CONTACT NOT ONLY WITH TIJUANA AND MEXICALI BUT WITH MEXICO CITY. IF IS THE DESIRE OF THIS COMMUNITY TO CONTINUE TO EXPAND THE BENEFITS OF COMMERCE, TOURISM AND EDUCATIONAL AND CULTURAL EXCHANGES WITH OUR VALUED MEXICAN FRIENDS AND NEIGHBORS.

 Mailgram®
western union

BUT THE PROBLEM HERE AT SAN DIEGO, NOTWITHSTANDING OUR LOCAL WILLINGNESS TO PARTICIPATE IN A SOLUTION, HAS REACHED THE POINT OF ABSOLUTELY REQUIRING THE IMMEDIATE ACTION AND FULL PARTICIPATION OF THE FEDERAL GOVERNMENTS OF BOTH THE U.S. AND THE REPUBLIC OF MEXICO.

THE CITY OF SANDIEGO STANDS READY TO EXTEND OUR COOPEERATION IN WHATEVER MEASURE MAY BE NECESSARY TO ELIMINATE THE PROBLEM AND ACHIEVE THE RICH POTENTIAL OF THE GOOD RELATIONS THAT WE SO EARNESTLY DESIRE WITH OUR MEXICAN NEIGHBORS.

THANK YOU FOR YOUR ASSISTANCE.

SINCERELY,

PETE WILSON, MAYOR'S OFFICE CITY OF SAN DIEGO CA FON 236-6730

13:33 EST

MGMCOMP MGM

Jane

Date: February 9, 1977

MEMORANDUM

FOR ACTION:
Joe Aragon
Stu Eizenstat
Jack Watson

FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT:

Zbigniew Brzezinski memo 2/9/77 re
Mayor of San Diego's Telegram on Conference
on Illegal Mexican Immigration.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 9:00 A.M.

DAY: Friday

DATE: February 11

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.☐ No comment.

Please note other comments below:

I disagree. While the illegal
alien problem merits the most
serious attention, the way to focus
on it is not by supporting -- on a
Presidential level -- the conference of
a local ambitious Republican mayor. See

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required
material, please telephone the Staff Secretary immediately. (Telephone, 7052)

Attached response
I sent yesterday
to Wilson. JW

MEMORANDUM

Date: February 9, 1977

FOR ACTION:
Joe Aragon
Stu Eizenstat
Jack Watson

FOR INFORMATION:

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DATE: February 11

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☒ concur.☐ No comment.*Please note other comments below:*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE
WASHINGTON

File

February 9, 1977
4:45 p.m.

MEMORANDUM FOR: THE PRESIDENT
FROM: TIM KRAFT
RE: Format for Depart. Visits

You may want to alter the format for next week's or subsequent Department visits for the sake of variety. The advance staff could look for possible variations on the standard format used this week. These might include, for example, group discussions, longer visits in innovative or ombudsman-type program offices, cafeteria hand-shaking or lunch.

Approve

Disapprove

Comments:

*Be specific
J*

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